Government of Saskatchewan

Annual Report 2000-01

Saskatchewan Post-Secondary Education and Skills Training

Saskatchewan Student Aid Fund

Annual Report
2000-01

Saskatchewan
Student Aid Fund

For the fiscal year
ending March 31, 2001

Copies of this annual report are available by contacting:

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101-06881/

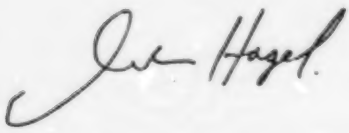
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to present the annual report of the Saskatchewan Student Aid Fund for the year ending March 31, 2001. The financial statements included in the report were prepared by the Department of Post-Secondary Education and Skills Training and audited by the Provincial Auditor of Saskatchewan.

Respectfully submitted,



Glenn Hagel
Minister of Post-Secondary Education and Skills Training

Letter of Transmittal

March 31, 2001

The Honourable Glenn Hagel
Minister of Post-Secondary Education
and Skills Training

On behalf of the Trustees, I have the honour of presenting the annual report of the Saskatchewan Student Aid Fund for the fiscal year ending March 31, 2001.

During the year under review, the Student Aid Fund Trustees report steady progress in increasing financial accessibility to post-secondary programs and services and expansion of services to meet the needs of individuals and communities in Saskatchewan.

For the 2000-01 fiscal year, over 16,000 applications were approved, exceeding $130 million. Nearly $28 million was provided in Debt Reduction benefits.

Other activities which occurred during the year under review included:

- In January, 2001, the Minister of Post-Secondary Education and Skills Training announced the Province's intention to enter into negotiations with the federal government to integrate the delivery of the Canada and Saskatchewan Student Loans Programs, beginning August 1, 2001, when the present Lender-financing Saskatchewan Student Loans Agreement with the Royal Bank expires.

- In consultation with representatives from the post-secondary educational institutions in Saskatchewan, student unions, financial institutions, and federal and provincial governments, an array of user friendly student loan materials have been developed and introduced during the year under review. A new student loan application kit will be introduced in the Summer of 2001.

The Student Aid Fund Trustees look forward to continuing to work with partners to meet the changing needs of Saskatchewan students and their families in the coming year, particularly in regard to the following initiatives:

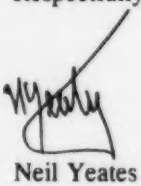
- To complete negotiations and implement an integrated federal-provincial student loan agreement to take effect on August 1, 2001.

- To develop a strategy for the pre-lender financed loan portfolio (pre-1995) held by the Student Aid Fund.

- To improve and simplify student assistance programs to make the process easier for students and their families to meet their personal, career and employment goals.

The Trustees believe that the existing internal controls provide reasonable assurance that Saskatchewan Student Aid Fund assets are safeguarded and that the financial records are reliable for preparing information and maintaining accountability for assets.

Respectfully submitted,



Neil Yeates
Trustee
Saskatchewan Student Aid Fund

2000-01 Highlights of Saskatchewan Student Aid Fund Activities

- ***The number of students applying for student loans increased over the previous year:***

  Approximately 19,500 applications were processed by Student Financial Assistance Branch in 2000-01. In the previous year, 19,200 were processed. Of these applications, 88% received student loans. Primary reasons for rejection were:

  - lack of required information (e.g., the application was incomplete and the student did not respond to inquiries);
  - the student did not meet the eligibility criteria (such as applying to the wrong province for assistance); or
  - the student had more resources than educational costs.

- ***Attendance at various Saskatchewan educational institutions by the student assistance population changed slightly from the previous fiscal year:***

  The percentage of students taking their post-secondary studies in Saskatchewan decreased slightly to 82% from 83% in the previous year. This percentage is broken down into the following sectors:

  - The university sector, which remains at 51%;
  - The Saskatchewan Institute of Applied Science and Technology (SIAST) sector, which remains at 13%;
  - The private vocational school sector, which decreased slightly to 11%;
  - The regional colleges sector, which increased slightly to 4%.
  - The sector which includes Saskatchewan post-secondary institutions not included in the above, which remains at 3%.

- ***The amount of authorized* assistance and the number of students assisted continued to increase over the previous year. This is consistent with an upward trend over the last four years:***

  - $72,754,100 in Canada Student Loan assistance was authorized to 16,664 students in 2000-01. In the previous year 16,384 students were authorized $69,681,009. Four years ago $61,421,073 was authorized to 14,882 students.
  - $59,780,831 in Saskatchewan Student Loan assistance was authorized to 16,566 students in 2000-01. In the previous year 16,246 students were authorized $57,102,028. Four years ago, $45,816,075 was authorized to 14,338 students.

- ***Student Aid Fund loans receivable were more than 40% lower on March 31, 2001 than the previous year:***

  - Student Aid Fund loans receivable totalled $2,917,256 on March 31, 2001.
  - On March 31, 2000, the amount was $4,669,883.

**Authorized loans are loans approved for courses starting in the fiscal year 2000-01, whether or not the monies were paid in that fiscal year.*

Table 1 - Summary of Loans, Awards, Benefits and Subsidies - Saskatchewan Student Assistance Program: 2000-01

	Amount
Full-time Canada Student Loans Authorized	$72,754,100
Saskatchewan Student Loans Authorized	59,780,831
Debt Reduction Benefits:	
• Saskatchewan Student Bursary Paid	17,275,610
• Canada Study Grant Paid	4,215,255
• Saskatchewan Study Grant Paid	3,996,882
• Remission Approved	1,985,984
Loan Forgiveness Approved	392,063
Federal/Provincial Study Grants:	
• Students with Permanent Disabilities Paid	853,896
• High Need Part-time Students Paid	454,698
• Female Doctoral Students Paid	35,133
Part-time Canada Student Loans Authorized	264,675
Saskatchewan Interest Relief Plan Paid	631,516
French Language - Federal Provincial Awards Paid	190,300
Queen Elizabeth II Scholarship in Parliamentary Studies Paid	10,000

The Saskatchewan Student Aid Fund

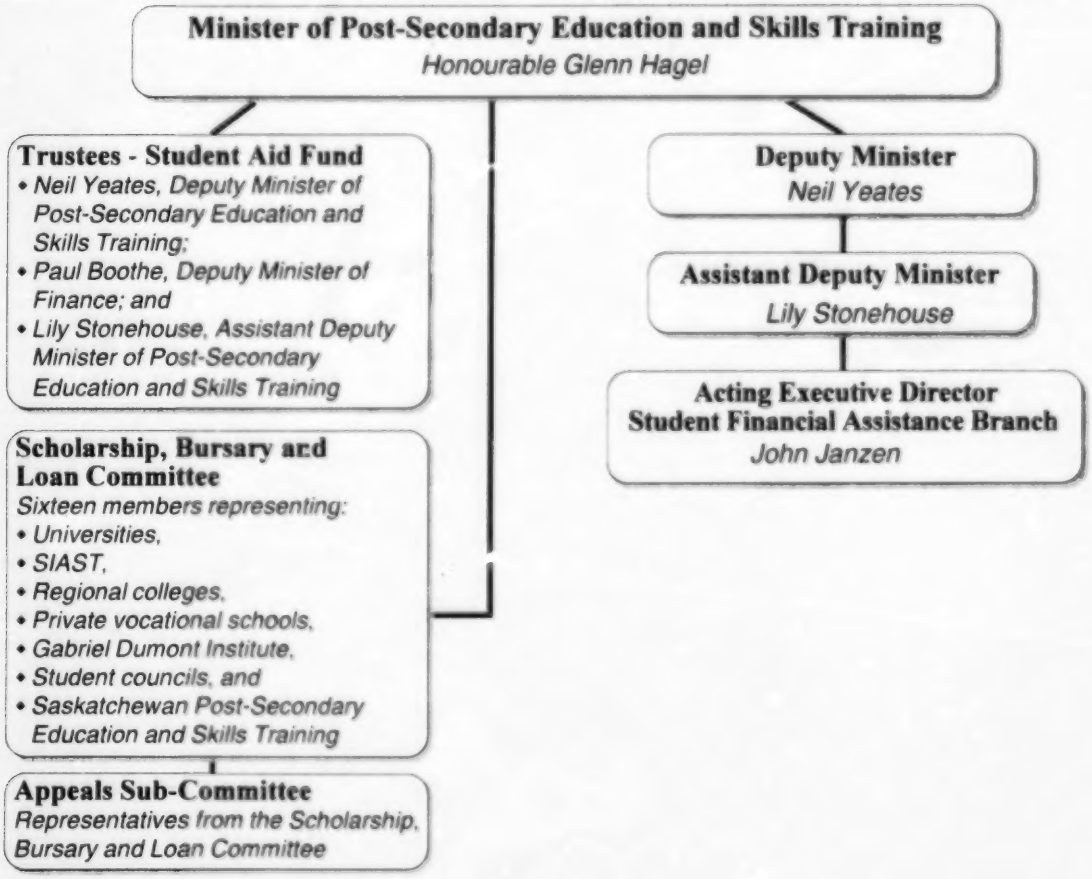
The Saskatchewan Student Aid Fund was created in 1949 by the Government of Saskatchewan to ensure that students would not be denied access to post-secondary education or training due to lack of financial means. Since then, the Fund has assisted many thousands of individuals to attain their career goals.

Organization and Administration

Authority for administration of the Saskatchewan Student Aid Fund is provided by *The Student Assistance and Student Aid Fund Act, 1985* and *Regulations*. This legislation calls for:

- Three trustees to administer the Fund;
- The Scholarship, Bursary and Loan Committee to make recommendations to the Minister; and
- The department over which the Minister presides to operate the Fund.

Chart 1 - Organization and Administration - Saskatchewan Student Aid Fund - March 31, 2001


Minister of Post-Secondary Education and Skills Training
Honourable Glenn Hagel
Trustees - Student Aid Fund
• Neil Yeates, Deputy Minister of Post-Secondary Education and Skills Training;
• Paul Boothe, Deputy Minister of Finance; and
• Lily Stonehouse, Assistant Deputy Minister of Post-Secondary Education and Skills Training
Scholarship, Bursary and Loan Committee
Sixteen members representing:
• Universities,
• SIAST,
• Regional colleges,
• Private vocational schools,
• Gabriel Dumont Institute,
• Student councils, and
• Saskatchewan Post-Secondary Education and Skills Training
Appeals Sub-Committee
Representatives from the Scholarship, Bursary and Loan Committee
Deputy Minister
Neil Yeates
Assistant Deputy Minister
Lily Stonehouse
Acting Executive Director
Student Financial Assistance Branch
John Janzen

Trustees

The Trustees of the Saskatchewan Student Aid Fund were established in 1949 under *The Student Aid Fund Act*. The present legislation, *The Student Assistance and Student Aid Fund Act, 1985*, states:

3(1) The Trustees of the Saskatchewan Student Aid Fund are continued as a body corporate and consist of:

(a) the deputy minister of the department;
(b)the deputy minister of the Department of Finance; and
(c) one person appointed by the Lieutenant Governor in Council on the recommendation of the minister.

The Trustees are required to:

(2) ...administer the fund in accordance with this Act and the regulations.

Trustee Activities in 2000-01

In 2000-01, the Trustees of the Student Aid Fund were:

- Neil Yeates, Deputy Minister, Saskatchewan Post-Secondary Education and Skills Training;
- Paul Boothe, Deputy Minister, Saskatchewan Finance; and
- Lily Stonehouse, Assistant Deputy Minister, Saskatchewan Post-Secondary Education and Skills Training.

The Trustees held four meetings: April 14, June 16, July 28, and October 23, in which they:

- reviewed the Fund's quarterly financial statements and activity reports and approved the Student Aid Fund budget for 2000-01;
- reviewed plans and provided direction for the computer system re-write which will integrate five computer systems, including the present system that supports the Saskatchewan student loans, into one, to provide better client service and more effective and efficient reporting mechanisms;
- discussed options and provided recommendations for development of proposals to finance and sustain the Saskatchewan Student Loans Program after July 31, 2001 when the agreement with the Royal Bank expires. These include negotiations to integrate the federal and provincial student loans programs, which was announced by the Minister of Post-Secondary Education and Skills Training in January, 2001.

Scholarship, Bursary and Loan Committee

The Scholarship, Bursary and Loan Committee was established in 1971 under *The Student Aid Fund Act*. The present legislation, *The Student Assistance and Student Aid Fund Act, 1985,* states that the Committee shall:

> *4.(3)(a) make recommendations to the minister concerning the development and administration of scholarships, bursaries, loans or other forms of assistance for students under any program in which financial support for students is derived:*
> *(i) from the fund;*
> *(ii) from grants or payments from the Minister of Finance; or*
> *(iii) pursuant to agreements between the Government of Saskatchewan and the Government of Canada or agencies of the Government of Canada;*
> *(b) conduct studies concerning programs of financial assistance to students and for that purpose may receive representations from governments, institutions, organizations and interested persons.*

The legislation provides a total membership of 16 persons, 12 of whom are specified. The *specified* members are the following:

- The chairperson is Neil Yeates, the Deputy Minister of Saskatchewan Post-Secondary Education and Skills Training or a designate; in 2000-01, John Janzen, the Acting Executive Director of Student Financial Assistance Branch, chaired the committee.

- The vice-chairperson is an officer of the department; Linda Smith, Executive Director of Policy and Evaluation Branch served in this capacity.

- The University of Saskatchewan representation is the President or an appointee; Evelyn Smith, the Emergency and Government Loans Officer of the university, was the representative in 2000-01.

- The University of Regina representation is the President or an appointee; Betty St. Onge, the Financial Aid Officer, represented the university in 2000-01.

- Eight other representatives:

  - a representative from the department; Kirk Wosminity, Manager of Information Advisory and Assessment, was the representative;

  - a person representing SIAST; Donna Benson, Registrar of Palliser Campus served in this capacity for 2000-01; and

  - one person representing each of the student councils of the following schools:
    - Jef Jackson, Vice President (Student Issues) of the University of Saskatchewan Students' Union;
    - Kate Bissel, Vice-President (Student Affairs), University of Regina Students' Union; and
    - each of the four SIAST campuses:
      - Todd Johnson, President of SIAST Palliser Students' Association;
      - Rachel Stiglich, President, SIAST Kelsey Students' Association;
      - Kevin Fast, President, SIAST Woodland Students' Association;
      - Aura Escanlar, Director, Transition Council, SIAST Wascana Students' Association.

- In 2000-01, individuals *not specified* under the Act were appointed to represent the following:

  - private vocational schools sector, which was represented by Sharon Schultz, Admissions Representative, CDI College of Business and Technology;

  - Saskatchewan regional colleges, which was represented by Judi Jones, Dean, Academics, Southeast Regional College;

- Gabriel Dumont Institute of Native Studies and Applied Research which was represented by Joanne Pelletier, Program Coordinator, SUNTEP Regina, Gabriel Dumont Institute; and

- another staff member of Student Financial Assistance Branch to be secretary of the committee; Helen Morrison, Senior Policy Analyst with the Branch, served in this capacity.

Committee Activities in 2000-01

The Committee held three meetings: June 19, 2000, November 3, 2000, and April 27, 2001, in which they:

- discussed the impact on Saskatchewan students and educational institutions of new Canada Student Loan initiatives. Starting March 1, 2001, any new full-time Canada Student Loans will come directly from the federal government through the National Student Loans Service Centre, which is comprised of two divisions, one serving public post-secondary students and the other one serving private vocational school students. Provincial governments will continue to administer the federal program in their respective provinces and issue documentation for receipt of funds, but to receive their loans, borrowers will forward the completed certificates and loan agreements through designated post offices and the National Student Loans Service Centre. These federal loans are repaid through the service centre;

- discussed the proposed federal/provincial student loan integration. In January, 2001, the Minister of Post-Secondary Education and Skills Training announced that the province was entering into negotiations with the federal government to integrate the delivery of the Canada and Saskatchewan Student Loans Programs;

- reviewed new provincial programs which affect students, such as the Saskatchewan Post-Secondary Graduate Tax Credit, the Centennial Summer Student Employment Program and the Centennial Scholarship Program; and

- reviewed and approved the 2000-01 Saskatchewan Student Assistance Program Administrative Guidelines.

Appeals Sub-Committee

- The Appeals Sub-Committee consists of five members of the Scholarship, Bursary and Loan Committee and reviews cases where students applying for financial assistance may have extenuating circumstances that would affect their assessments.

- The Sub-Committee has representation from both universities and their students' unions, SIAST and their students' unions, regional colleges and private vocational schools sectors, as well as the Department.

- If the Sub-Committee determines the circumstances are extenuating, further assistance may be granted.

- Appeals Sub-Committee Activities in 2000-01:
  - A total of 57 appeals were reviewed.
  - Main issues surrounding these appeals included:
    - student classification (dependent or independent students) and parental/spousal contributions;
    - pre-study period contributions;
    - discontinuation of studies or dropping classes so that course load falls below full-time requirement;
    - the use of assets, such as vehicles and investments in assessment of applications;
    - reduction or refusal of assistance, when applications were received after deadlines.
  - Additional assistance was granted in 48 (85%) of these cases.

Minister and the Department

Authority for the Minister to make awards under the Saskatchewan Student Assistance Program is provided by *The Student Assistance and Student Aid Fund Act, 1985* and *Regulations*.

The Saskatchewan Student Assistance Program covers all federal and provincial loans, scholarships and awards programs. The Student Financial Assistance Branch administers this program on behalf of the Minister of Post-Secondary Education and Skills Training.

Branch Activities in 2000-01

In the reporting year, Student Financial Assistance Branch received 19,500 student loan applications. In processing these applications, Branch staff:

- Assess, review and/or reassess applications and issue notifications for:
  - Canada Student Loans for Full-time Students;
  - Canada Student Loans for Part-time Students;
  - Saskatchewan Student Loans;
  - Federal/Provincial Study Grants (formerly Special Opportunity Grants) for:
    - Students with Disabilities;
    - Female Doctoral Students; and
    - High Need Part-time Students;
  - Debt Reduction Benefits:
    - Saskatchewan Student Bursary;
    - Saskatchewan Study Grant;
    - Canada Study Grant;
    - Remission; and
    - Canada Millennium Scholarship Foundation Bursaries.
- Work in partnership with the Royal Bank of Canada to provide financing for Saskatchewan Student Loans and to administer the Saskatchewan Interest Relief Plan.
- Issue all repayment documentation and carry out all financial accounting for Saskatchewan Student Loans in repayment that have not been transferred to the Royal Bank of Canada.
- Audit and verify information provided by students.
- Offer information and advisory services to students, their families, educational institutions and the general public:
  - More than 160,000 telephone inquiries on student loan issues were received in 2000-01. More than 40,000 were received in the peak month of August, 2000.
  - Branch staff conducted 45 informational sessions for more than 5,000 people in communities all over Saskatchewan in 2000-01.

The Branch's other duties included:

- Support services to the Student Aid Fund Trustees, the Scholarship, Bursary and Loan Committee and other groups at the request of the Minister.
- Financial accounting requirements of the Student Aid Fund, including:
  - Provincial scholarships and bursaries and emergency loans, and
  - Federally reimbursed scholarships and awards.

- Participation in federal/provincial initiatives and representation on national student assistance committees which included analysis and discussion of direct lending of Canada Student Loans and integration of federal and provincial loan programs.

- Worked with the federal government and a project team consisting of representatives from private vocational schools, SIAST, both universities, student unions, and financial institutions to develop a new application form and informational booklets, written in a clearly understandable format.

- Dissemination of information, review, analysis, support and approval of Canada Millennium Scholarship Foundation Bursaries for Saskatchewan post-secondary students.

Note:
The Branch also administers income support programs such as:

- the Canada Millennium Scholarship Fund,
- the Post-Secondary Graduate Tax Credit,
- the Provincial Training Allowance, and
- the Skills Training Benefit.

These programs are not funded or administered through the Student Aid Fund and are reported in the Department of Post-Secondary Education and Skills Training Annual Report.

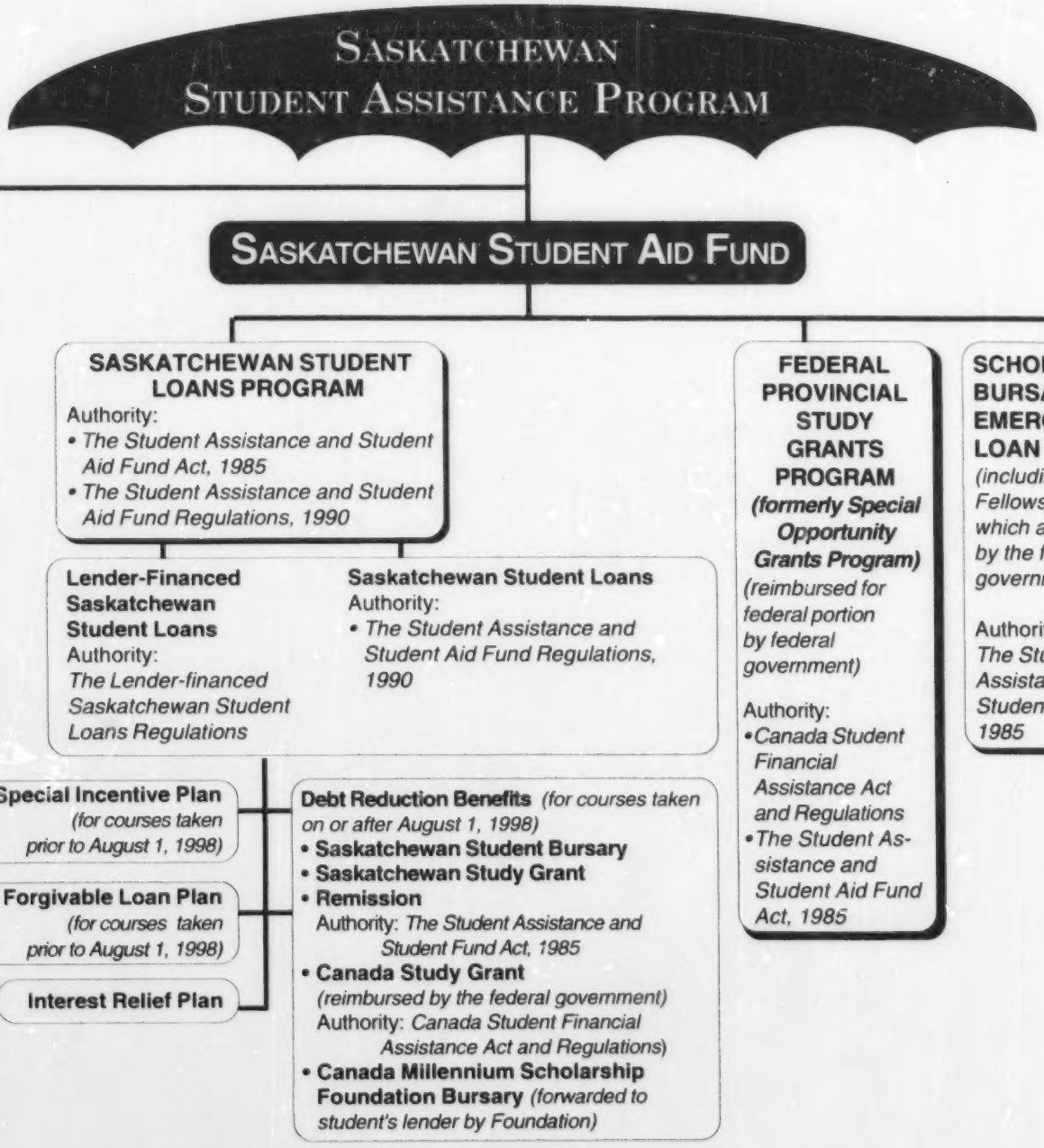

SASKATCHEWAN STUDENT ASSISTANCE PROGRAM
CANADA STUDENT LOANS PROGRAM
• Full-time and
• Part-time Students
Authority:
Canada Student Financial Assistance Act and Regulations
SASKATCHEWAN STUDENT AID FUND
SASKATCHEWAN STUDENT LOANS PROGRAM
Authority:
• The Student Assistance and Student Aid Fund Act, 1985
• The Student Assistance and Student Aid Fund Regulations, 1990
Lender-Financed Saskatchewan Student Loans
Authority:
The Lender-financed Saskatchewan Student Loans Regulations
Saskatchewan Student Loans
Authority:
• The Student Assistance and Student Aid Fund Regulations, 1990
Special Incentive Plan (for courses taken prior to August 1, 1998)
Forgivable Loan Plan (for courses taken prior to August 1, 1998)
Interest Relief Plan
Debt Reduction Benefits (for courses taken on or after August 1, 1998)
• Saskatchewan Student Bursary
• Saskatchewan Study Grant
• Remission
Authority: The Student Assistance and Student Fund Act, 1985
• Canada Study Grant
(reimbursed by the federal government)
Authority: Canada Student Financial Assistance Act and Regulations)
• Canada Millennium Scholarship Foundation Bursary (forwarded to student's lender by Foundation)
FEDERAL PROVINCIAL STUDY GRANTS PROGRAM
(formerly Special Opportunity Grants Program)
(reimbursed for federal portion by federal government)
Authority:
• Canada Student Financial Assistance Act and Regulations
• The Student Assistance and Student Aid Fund Act, 1985
SCHOLARSHIP, BURSARY AND EMERGENCY LOAN FUNDING
(including French Fellowships/Bursaries which are reimbursed by the federal government)
Authority:
The Student Assistance and Student Aid Fund Act, 1985

Chart 2 - Saskatchewan Student Assistance Program and Governing Legislation - 2000-01

The Saskatchewan Student Assistance Program

Student Loan Programs

Financial assistance for post-secondary students is provided under the Canada and Saskatchewan Student Loans Programs. The two programs work in combination, and both programs are administered by Student Financial Assistance Branch on behalf of the Minister of Saskatchewan Post-Secondary Education and Skills Training and Human Resources Development Canada (HRDC). Students apply for both loans on the single application provided in the *Student Assistance Application Package*. To finance further years of post-secondary education with student loans, the student must submit a new application yearly.

Eligibility for Assistance

Student Financial Assistance Branch uses federal criteria to determine the applicant's eligibility for student loans. To qualify for student loans, the student must:

- be a Canadian citizen or permanent resident as defined in the *Immigration Act;*
- be a Saskatchewan resident according to program criteria;
- be enrolled as a full-time student;
- be enrolled in a program of studies leading to a degree, diploma or certificate;

Chart 3 - Assistance Available: Students <u>with</u> Dependent Children, 2000-01

Class of Student	Maximum Assistance Available	Assistance Authorized	Debt Reduction Benefits	Maximum Debt Level *(for the first 170 weeks of post-secondary study)**
Special Incentive Students • all single parents • married students who are Non-Status Indian/Métis and/or Northerners	$400 per week of study	•CSL - covers 60% of assessed need to a maximum of $165 per week of study •SSL - covers remaining assessed need to a maximum of $235 per week of study	• Sask.Student Bursary/Canada Millennium Scholarship Foundation Bursary • Canada/Sask. Study Grants • Remission	$180 per week of study less any amount of Remission received
Regular Students • all other married students	$400 per week of study	•CSL - covers 60% of assessed need to a maximum of $165 per week of study •SSL - covers remaining assessed need to a maximum of $235 per week of study	• Sask.Student Bursary/Canada Millennium Scholarship Foundation Bursary • Canada/Sask. Study Grants	$180 per week of study

CSL - Canada Student Loan
SSL - Saskatchewan Student Loan

*Beyond 170 weeks (5 university academic years) of study, debt level per week of study will increase as the student will not be eligible for the Saskatchewan Student Bursary. Some students may be eligible for the Canada Millennium Scholarship Foundation Bursary.

- be attending a school with designated status granted by the Minister of Post-Secondary Education and Skills Training;
- be in financial need according to student loan program guidelines;
- not be in default on a previous student loan;
- maintain a satisfactory scholastic standard to continue to be eligible for student loans;
- be receiving assistance for less than 520 weeks of study (if the first student loan was received before August 1, 1995), or for less than 340 weeks of study (if the first student loan was received on or after August 1, 1995). There is an exception to the 340 week limit for students enrolled in doctoral programs and students with permanent disabilities; and
- complete the program within the number of periods of study normally specified by the school for completion of that program, plus one additional period.

Effective August 1, 1999, the federal government introduced a new policy on credit worthiness. First time applicants for student assistance who are 22 years of age or older at the time of application will be screened for credit worthiness by a credit agency using federal criteria prior to the issuing of loan certificates.

In addition to the foregoing, to qualify for Saskatchewan Student Loans, students must take their course in Canada unless:

- the program is not offered in Saskatchewan; or

Chart 4 - Assistance Available: Students without Dependent Children, 2000-01

Class of Student	Maximum Assistance Available	Assistance Authorized	Debt Reduction Benefits	Maximum Debt Level *(for the first 170 weeks of post-secondary study)**
Special Incentive Students • students who are Non-Status Indian/Métis and/or Northerners	$385 per week of study	• CSL - covers 60% of assessed need to a maximum of $165 per week of study • SSL - covers remaining assessed need to a maximum of $220 per week of study	• Sask.Student Bursary/Canada Millennium Scholarship Foundation Bursary • Remission	$180 per week of study less any amount of Remission received
Regular Students • all other students	$275 per week of study	• CSL - covers 60% of assessed need to a maximum of $165 per week of study • SSL - covers remaining assessed need to a maximum of $110 per week of study	• Sask.Student Bursary/Canada Millennium Scholarship Foundation Bursary	$180 per week of study

CSL - Canada Student Loan
SSL - Saskatchewan Student Loan

*Beyond 170 weeks (5 university academic years) of study, debt level per week of study will increase as the student will not be eligible for the Saskatchewan Student Bursary. Some students may be eligible for the Canada Millennium Scholarship Foundation Bursary.

- the student is enrolled in a graduate degree program; or
- the student is not able to obtain the program in Saskatchewan due to a quota system; or
- the student is not able to obtain the program in Saskatchewan because of insufficient marks for acceptance to a Saskatchewan school; or
- the student is receiving advanced post-secondary credits that will reduce the length of the program by at least one full semester; or
- the student is receiving a major scholarship that reduces the total cost of tuition by at least $1,500 below the cost in Saskatchewan; or
- the cost of tuition at the out-of-country school is $1,500 or more below these costs at a Saskatchewan school; or
- the student was attending a program of more than one year in length outside Canada prior to 2000-01 for which the student received Saskatchewan Student Loans and wishes to continue studies in the same program in the same school; or
- the student's spouse, who is also a student, qualifies for provincial assistance under one of the above criteria.

Chart 5 - Number of Authorized Saskatchewan Student Loans

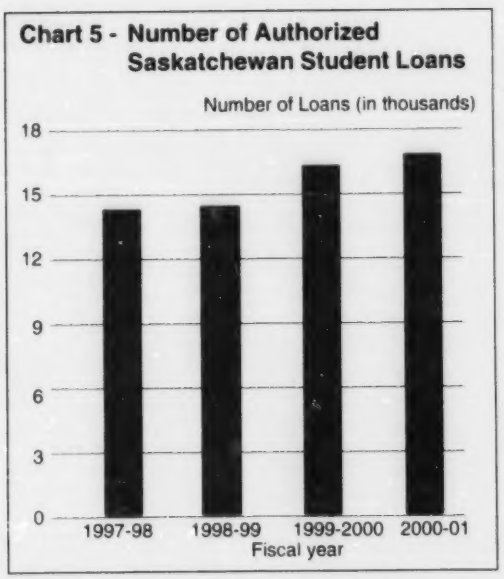
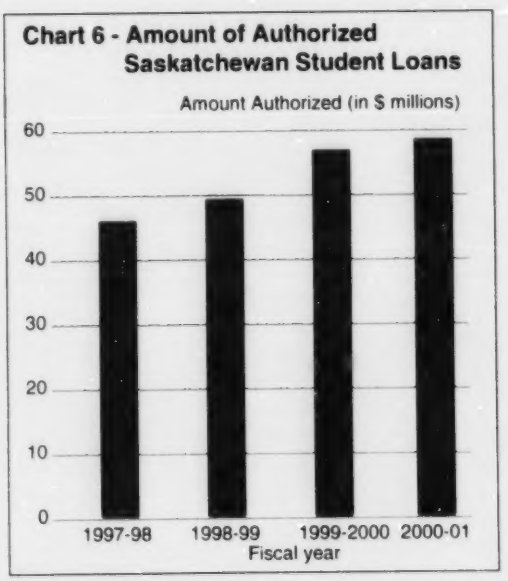


Chart 6 - Amount of Authorized Saskatchewan Student Loans



Assessing Applications

Once eligibility has been determined, the applicant's financial need for assistance is calculated by subtracting the contributions expected from the student and the student's family from the educational and living costs allowed under the program.

Students whose assessment results indicate their need for assistance is more than $60 per week of study than they are allowed under the program will be required to submit a financial plan. This plan must indicate how they will make up the difference so they have adequate finances to complete their course of study.

In Saskatchewan, assistance is authorized for full-time students initially in the form of a Canada Student Loan and a Saskatchewan Student Loan. Student Financial Assistance Branch issues loan certificates to the student, which must be negotiated with a participating lender.

Beginning August 1, 1995 and until February 28, 2001, several banks, credit unions and caisses populaires were participating lenders for Canada Student Loans under the terms of risk premium lender agreements and the *Canada Student Financial Assistance Act* and *Regulations*. On March 1, 2001 any new Canada Student Loans came directly from the Government of Canada through the National Student Loans Service Centre.

The Royal Bank of Canada is the sole participating lender for the Saskatchewan Student Loans Program under the terms and conditions of the *Lender-financing Saskatchewan Student Loans Agreement*. This agreement will expire on July 31, 2001.

Chart 7 - Number of Approved Applications for Remission Subsidies on Canada Student Loans and Sask. Student Loans

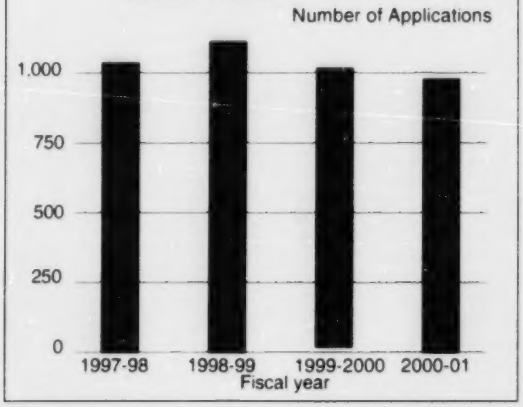
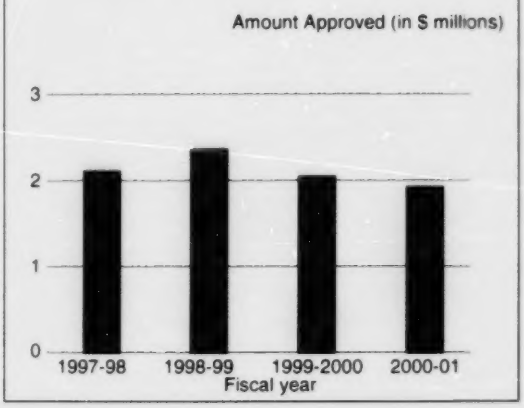


Chart 8 - Approved Remission Subsidies on Canada Student Loans and Sask. Student Loans - 1999-2000



Debt Reduction Benefits

Several federal and provincial debt reduction benefits are available to reduce the amount of student loans the student will have to repay. The following three benefits are funded by the Government of Saskatchewan:

- Saskatchewan Student Bursary;
- Saskatchewan Study Grant, and
- Remission.

In addition, the Government of Canada:

- introduced the Canada Study Grant; and
- created the Canada Millennium Scholarship Foundation, an independent agency to allocate the one-time $2.55 billion endowment over 10 years. This agency developed the Canada Millennium Scholarship Foundation Bursaries which were offered to Canadian post-secondary students beginning in the 1999-2000 loan year.

Note:
The Canada Millennium Scholarship Foundation Bursary is not part of the Student Aid Fund but does have an impact on financial assistance to students.

The Canada and Saskatchewan Study Grants, along with the Saskatchewan Student Bursary, were introduced in the 1998-99 loan year and basically replaced and enhanced the Forgivable Loan Plan. Remission continues to be available to Special Incentive Students under the same conditions as in existence prior to August 1, 1998.

The Canada and Saskatchewan Study Grants are available to students with dependent children with loan assistance exceeding $275 per week of study for all weeks of post-secondary study.

The Saskatchewan Student Bursary is available to all students with loan assistance exceeding $180 per week of study for the first 170 weeks of post-secondary study.

In most cases, students will receive either the Saskatchewan Student Bursary or the Canada Millennium Scholarship Foundation Bursary for the first 170 weeks of study. Some students may receive the Canada Millennium Scholarship Foundation Bursary beyond the 170 weeks of study.

The Canada Millennium Scholarship Foundation Bursary provides between $2,000 and $4,000 annually with a lifetime maximum of $19,200. The bursary is available to students in second and higher years of post-secondary studies, excluding graduate studies. Students who qualify for the Canada Millennium Scholarship Foundation Bursary are notified by the Foundation of the final amount which is then sent to the lender on the student's behalf.

In 2000-01, $9,772,000 was awarded by the Canada Millennium Scholarship Foundation to reduce student debt.

Table 2 - Paid Canada Millennium Scholarship Foundation Bursary* - Debt Reduction Benefit: 1999-2001

Year	Number of Bursaries	Amount Paid
1999-2000	3,940	$9,775,000
2000-01	3,753	9,772,000

**This deferred debt reduction benefit has no Student Aid Fund involvement. The Foundation forwards the authorized amount to the student's financial institution to be applied against the student's loan balance.*

With the exception of remission, which must be applied for separately, all debt reduction benefits are provided to the student initially in the form of Saskatchewan Student Loan assistance. Following the study period, the benefit amount is applied against the student's Saskatchewan Student Loan debt and, in some cases, federal loan debt to reduce total debt load. The provincial government is compensated by the federal government and the Canada Millennium Scholarship Foundation for Canada Study Grants and Canada Millennium Scholarship Foundation Bursaries paid.

Charts 3 and 4 indicate the maximum loan and debt reduction benefits a student can receive for full-time study and the resulting maximum debt load incurred.

Appeals and Reviews

An appeal of assessment results may be requested by a student if additional assistance is required due to unavoidable situations or exceptional circumstances during the pre-study and/or study period. The Appeals Sub-Committee, consisting of Scholarship, Bursary and Loan Committee members from student councils and post-secondary schools, is formed each year to review appeals.

A review or reassessment may be undertaken when there is a change in the information provided on the application. Reviews or reassessments are based strictly on current program criteria.

Chart 9 - Percentage of School Sector Representation in the Student Assistance Population: 2000-01

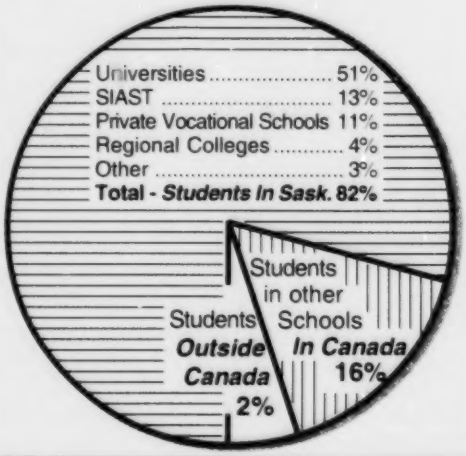
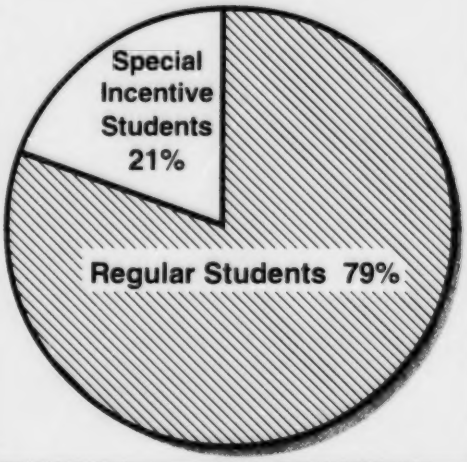

Universities 51%
SIAST 13%
Private Vocational Schools 11%
Regional Colleges 4%
Other 3%
Total - Students In Sask. 82%
Students in other Schools In Canada 16%
Students Outside Canada 2%

Chart 10 - Percentage of Regular and Special Incentive Plan (SIP) Students: 2000-01



Interest-Free Status

The federal and provincial governments pay the interest on Canada and Saskatchewan Student Loans while the student is attending school full-time. The student is responsible for the interest on Canada and Saskatchewan Student Loans from the first day of the first month after the student graduates or ceases full-time study.

The student is not responsible for interest that accrues on student loans between academic years if the break is six months or less and the appropriate documentation is submitted to the lenders.

Students who are attending school without full-time assistance from the Saskatchewan Student Assistance Program may keep any federal and provincial student loans in interest-free status during their academic periods by submitting appropriate documentation to their lenders.

Repayment of Student Loans

Students must make arrangements with the lenders holding their loans to repay their Canada and Saskatchewan Student Loans within six months after ceasing full-time study.

Options are available to students who are unable to meet the repayment terms of their loan agreements. The lender may revise the repayment terms or interest and repayment relief may be provided under the federal and provincial interest relief programs.

The Saskatchewan Interest Relief Plan is available to students with Saskatchewan Student Loans in repayment to the participating lender or to the Saskatchewan Student Aid Fund. During approved periods of interest relief, the student is not required to make loan repayments and the Government of Saskatchewan pays the interest that accrues on the loan, thus keeping the loan in good standing to the lender. Interest relief is approved in three-month periods with a lifetime maximum of 18 months.

Audit and Verification

All information supplied by applicants is subject to audit and verification.

Three types of audits are performed by the Branch's Audit Unit:

- Referral audits on files forwarded to the Audit Unit for investigation by third parties;
- Randomly selected post-audits; and
- Fraud investigations resulting from any of the previous types of audits.

The provision of false or misleading information by applicants, spouses, parents or guardians may result in prosecution under the *Canada Student Financial Assistance Act, The Student Assistance and Student Aid Fund Act, 1985* and/or the *Criminal Code of Canada*.

Assistance for Students with Special Needs

Students with Permanent Disabilities

As part of the Canada Student Loans Program, three types of assistance are available for students with permanent disabilities to assist them in meeting their training/education goals:

- Canada Student Loan;
- Federal/Provincial Study Grant (formerly Special Opportunity Grant) (federal/provincial funding for full-time and part-time students); and
- Permanent Disability Benefit (federal loan forgiveness) which is administered by the Canada Student Loans Program in Ottawa.

To qualify for any of the above assistance, students must be eligible for Canada Student Loans and:

- have a disability of a permanent nature which limits physical or mental ability to perform the daily activities necessary to participate fully in post-secondary studies or in the labour force; and
- be able to provide proof of the disability along with a completed student loan application.

Canada Student Loan

For full-time Canada Student Loan assistance for students with permanent disabilities, students must:

- have received loans for no more than 520 weeks of study; and
- be enrolled in, and successfully complete, a course load which is at least 40% of a full-time course load.

Federal/Provincial Study Grant (formerly Special Opportunity Grant) for Students with Permanent Disabilities

The Federal/Provincial Study Grant for Students with Permanent Disabilities provides a maximum of $7,000 ($5,000 federal and $2,000 provincial assistance) per year to a limited number of Saskatchewan students to cover exceptional expenses directly related to the student's permanent disabilities.

To be eligible, a student must:

- be permanently disabled and provide proof of permanent disability;
- be enrolled in post-secondary studies at a designated institution;
- have applied for a student loan and a Federal/Provincial Study Grant for Students with Permanent Disabilities and have been assessed as having need for this assistance under the criteria of the programs;
- not be in default on a Canada Student Loan.

These grants are provided on a first-come, first-served basis.

In 2000-01, 198 students received $853,896 in Federal/Provincial Study Grants for Students with Permanent Disabilities.

Permanent Disability Benefit

The federal government may cancel a Canada Student Loan debt if a student becomes permanently disabled while in school or within six months following completion of studies and the disability prevents the borrower from working. If the student's application is approved, the Canada Student Loan is repaid to the lender on behalf of the student.

Employability Assistance for People with Disabilities (EAPD)

The EAPD program provides disability related financial assistance to students who are disabled and vocationally handicapped to attend training/ education programs. As of August 1, 2000, students with disabilities who are enrolled in a minimum of 40% of a full course load may be eligible for Saskatchewan Student Loan assistance if they meet the eligibility criteria and the EAPD program confirms that this level of attendance is appropriate for the student's disability and career path.

In 2000-01, 15 permanently disabled students were authorized $62,322 in Saskatchewan Student Loan assistance.

Part-time Students

The following types of assistance are available to part-time students attending designated post-secondary schools:

- Federal/Provincial Grant (formerly Special Opportunity Grant) for High Need Part-time Students;
- Part-time Canada Student Loan; and
- Canada Study Grant.

To be eligible, the student must be enrolled in a course of study that is 20% - 59% of a full course load or, if permanently disabled, be taking 20% - 39% of a full course load.

Federal/Provincial Study Grant (formerly Special Opportunity Grant) for High Need Part-time Students

This grant provides a maximum of $2,000 ($1,200 in federal and $800 in provincial assistance) per year to a limited number of high need students who are enrolled in part-time studies because they are unable to carry 60% of a full course load for one or more of the following documented reasons:

- They are single parents and/or social assistance recipients with family responsibilities; or
- They are responsible for the care of one or more dependants who are elderly and/or have a disability.

These grants are awarded on a first-come, first-served basis and are meant to cover direct educational costs.

In 2000-01, 291 students received $454,698 in Federal/Provincial Study Grants for High Need Part-Time Students.

Part-time Canada Student Loans Program

The Canada Student Loans Program provides interest-bearing loan assistance to part-time students who have cash flow problems and are unable to raise sufficient cash to pay immediate educational expenses such as tuition, books, instruments, transportation, child care and miscellaneous expenses. The maximum amount of outstanding loan principal allowed is $4,000.

Beginning August 1, 2000, the negotiating process for part-time loans required students to use one of fifteen postal outlets in Saskatchewan to negotiate their part-time loan by mail. The negotiation process for the student involves calling a 1-800 hot line number in order to complete a Student Loan Agreement that must also be taken to the postal outlet at the time of negotiation.

Funding will be forwarded by the federal government within three to seven days after negotiation. Students must begin making interest payments on the loan 30 days after receiving the funds.

A student receiving a Federal/Provincial Study Grant (formerly Special Opportunity Grant) for High Need Part-time Students may also be eligible for a Part-time Canada Student Loan if the grant does not meet the student's total assessed need.

In 2000-01, 164 students were authorized $264,675 in Canada Student Loans for Part-Time Students.

Women in Non-traditional Doctoral Studies

The Federal/Provincial Study Grant (formerly Special Opportunity Grant) for Women in Non-traditional Doctoral Studies provides a maximum of $5,000 ($3,000 in federal and $2,000 in provincial assistance) per year to a limited number of women doctoral students studying full-time in non-traditional fields of study (where women have been traditionally underrepresented).

Students must establish need for assistance by applying for student loans and submitting a completed Application for Federal/Provincial Grant for Female Doctoral Students.

These grants are awarded on a first-come, first-served basis. However, once students have received their first grant, they may be given priority status to receive grants in subsequent, but not necessarily consecutive, years to a maximum of three years.

In 2000-01, 8 students received $35,133 in Federal/ Provincial Study Grants for Female Doctoral Students.

Scholarship, Bursary and Emergency Loan Funding

A variety of scholarship and award programs for post-secondary students are funded through the Saskatchewan Student Aid Fund.

General Proficiency Awards

This award program continues to be administered by Saskatchewan Education, but the method of paying the awards was changed. In 2000-01, General Proficiency Awards were no longer disbursed through the Saskatchewan Student Aid Fund.

Federal/Provincial Awards

The Saskatchewan Student Aid Fund is reimbursed by the federal government for these awards.

French Teacher Bursary Program

These bursaries provide a maximum of $1,500 for teachers of French to improve their language and pedagogical skills during July and August at a bilingual or francophone accredited post-secondary institution in Canada.

In 2000-01, 8 teachers received a total of $4,800 in French Teacher Bursary Program assistance.

French Minority Language Travel Bursaries

These bursaries:

- are intended to enable French minority language students who cannot pursue their post-secondary studies in their own language in Saskatchewan to study elsewhere in Canada; and
- provide the cost of one economy round trip per semester of full-time studies from the student's place of residence to the post-secondary institution chosen.

In 2000-01, 37 students received French Minority Language Travel Bursaries, for a total of $21,200.

French Fellowship/Bursaries for French Language Bachelor of Education Students

These fellowships/bursaries:

- provide Anglophone post-secondary students with an opportunity for immersion in a French milieu; and
- encourage Francophones to pursue their post-secondary studies in French in disciplines that are not offered within Saskatchewan.

Fellowships to a maximum of $1,000 per semester are available to students registered in approved programs in French at a Saskatchewan university or outside Saskatchewan if the programs are not available in French in the province.

Bursaries to a maximum of $2,000 per semester are available to students enrolled in:

- the French language Bachelor of Education program at the University of Regina, or
- the Bachelor of Education After Degree (B.E.A.D.) program at the University of Regina.

In 2000-01, 230 students received a total of $164,300 in French Fellowships/Bursaries.

Queen Elizabeth II Scholarship in Parliamentary Studies

The Queen Elizabeth II Scholarship was announced during the October, 1987 visit by the Queen and Duke of Edinburgh. One $10,000 scholarship is awarded annually for graduate or post-graduate study of Saskatchewan politics and government at either of Saskatchewan's universities.

The 2000-01 recipient was Kevin Wishlow who was pursuing his post-graduate studies in the University of Regina.

D. R. Simmons Memorial Scholarships

Two D.R. Simmons Memorial Scholarships of $500 are available annually to graduating Grade 12 students of First Nations or Métis ancestry who are continuing studies at the post-secondary level. In 2000-01, the recipients were Stacy Neil Martin, who was studying at the University of Regina, and Crystal Perry, who was studying at SIAST Wascana Campus.

James Dickson Scholarship

One James Dickson Scholarship of $500 is available annually to a graduating Grade 12 student of black ancestry. If no award is made during one year, two awards may be made during the following year. There were no recipients in 2000-01.

Doreen Kronick Matching Scholarship

One Doreen Kronick Scholarship of $500 is available in Canada each year to recognize the scholastic achievement of a full- or part-time graduate student studying in an area that will enable the student to help individuals with learning disabilities. Saskatchewan Post-Secondary Education and Skills Training will award an additional $500 if the recipient is a Saskatchewan resident attending a Saskatchewan university. There were no Saskatchewan recipients in 2000-01.

Fuhrmann Emergency Loan Program

This program was established with a $12,000 donation from the Fuhrmann family of Regina to provide short-term loans of up to $400 per student during any twelve month period for full-time studies at SIAST. The loans are interest-free if repaid within 90 days. Two loans were given out in 2000-01 for a total of $800.

Statistical Summary of Saskatchewan Student Assistance Program Activity

Table 3 - Full-time Canada Student Loans: 1991-92 to 2000-01

Fiscal Year	Number of Loans	Amount Authorized*
1991-92	16,849	$53,114,897
1992-93	16,568	54,725,675
1993-94	15,802	51,349,700
1994-95**	15,709	56,482,368
1995-96	15,194	57,572,356
1996-97	14,745	61,329,458
1997-98	14,882	61,421,073
1998-99	14,930	63,097,821
1999-2000	16,384	69,681,009
2000-01	16,664	72,754,100

Table 4 - Saskatchewan Student Loans: 1991-92 to 2000-01

Fiscal Year	Number of Loans	Amount Authorized*
1991-92	13,179	41,636,257
1992-93	13,181	44,494,756
1993-94	12,764	43,020,980
1994-95**	14,995	40,299,114
1995-96	14,443	40,803,330
1996-97***	13,886	44,364,852
1997-98	14,338	45,816,075
1998-99	14,355	49,999,434
1999-2000	16,246	57,102,028
2000-01	16,566	59,780,831

* ***Authorized loans*** *are loans* ***approved*** *for courses starting in the fiscal year indicated,* ***whether or not the monies were paid in that fiscal year****.*

** *Beginning August 1, 1994, 60% of a student's assessed need was authorized in Canada Student Loan with the remainder authorized in Saskatchewan Student Loan.*

*** *Implementation of Lender-financed Saskatchewan Student Loans for courses starting August 1, 1996 or later.*

Table 5 - Sask. Student Loans Repayments Received by the Student Aid Fund: 1991-92 to 2000-01

Fiscal Year	Amount
1991-92	$8,525,017
1992-93	11,010,113
1993-94	13,894,474
1994-95*	15,345,972
1995-96	17,969,682
1996-97	22,535,352
1997-98**	19,451,498
1998-99	8,038,295
1999-2000	3,380,867
2000-01	2,757,043

* *Adjusted retroactively to conform to 1996 accounting policy.*

** *Beginning October 7, 1997 some Saskatchewan Student Loans in repayment were transferred to the Royal Bank under the Saskatchewan Student Loan Assignment Agreement.*

Table 6 - Total Amount of Sask. Student Aid Fund Loans Receivable, as of March 31 of Each Fiscal Year: 1992 to 2001

Fiscal Year	Amount
1992*	$63,540,081
1993	73,849,825
1994	79,623,023
1995**	81,179,231
1996	86,087,979
1997***	52,105,084
1998****	35,071,673
1999	7,643,393
2000	4,669,883
2001	2,917,256

* *Adjusted retroactively to conform to 1993 accounting policy.*

** *Adjusted retroactively to conform to 1996 accounting policy.*

*** *Lender-financed Saskatchewan Student Loans implemented for courses starting August 1, 1996 or later are negotiated and repaid to the Royal Bank.*

**** *Beginning October 7, 1997 some Saskatchewan Student Loans in repayment were transferred to the Royal Bank under the Saskatchewan Student Loan Assignment Agreement.*

Table 7 - Paid Sask. Student Bursary Debt Reduction Benefit: 1998-99 to 2000-01

Year	Number of Bursaries	Amount Paid
1998-99*	558	$660,031**
1999-2000	8,658	18,111,776
2000-01	9,525	17,275,610

** From August 1, 1998 to March 31, 1999.*
***Corrected figures include benefits paid on federal loans.*

Table 8 - Paid Canada Study Grant - Debt Reduction Benefit: 1998-99 to 2000-01

Year	Number of Grants	Amount Paid
1998-99*	245	$164,255
1999-2000	2,706	3,572,157
2000-01	3,231	4,215,255

** From August 1, 1998 to March 31, 1999.*

Table 9 - Paid Sask. Study Grant - Debt Reduction Benefit: 1998-99 to 2000-01

Year	Number of Grants	Amount Paid
1998-99*	226	$252,934
1999-2000	2,467	5,315,241
2000-01	2,166	3,996,882

** From August 1, 1998 to March 31, 1999.*

Table 10 - Remission Subsidy Approvals on Canada Student Loans and Saskatchewan Student Loans*: 1991-92 to 2000-01

Year	Number of Loans	Amount Approved
1991-92	1,458	$5,835,096
1992-93	1,291	3,088,657
1993-94	961	2,144,130
1994-95	700	1,496,877
1995-96	705	1,481,779
1996-97	572	1,671,950
1997-98	1,025	2,102,122
1998-99	1,105	2,350,543
1999-2000	1,000	2,066,575
2000-01	959	1,985,984

** Saskatchewan Student Loans include the former Saskatchewan Student Loans Program, Saskatchewan Supplementary Loans Program, the Saskatchewan Student Loans Program and Lender-financed Saskatchewan Student Loans.*

Table 11 - Loan Forgiveness Approvals on Sask. Student Loans - 1991-92 to 2000-01

Year	Number of Students	Amount Approved
1991-92	3,807	$9,788,040
1992-93	4,203	9,702,555
1993-94	4,669	10,298,765
1994-95	4,456	9,198,831
1995-96	4,206	10,334,146
1996-97	3,734	10,436,464
1997-98	4,715	13,761,585
1998-99*	5,005	15,572,400
1999-2000**	573	2,552,954
2000-01**	105	392,063

** Loan forgiveness was replaced and enhanced by Saskatchewan Student Bursary - Debt Reduction Benefit starting August 1, 1998.*

*** Approvals for courses starting prior to August 1, 1998.*

Table 12 - Federal/Provincial Study Grant for Students with Permanent Disabilities: 1995-96 to 2000-01

Year	Number of Grants	Amount Paid*
1995-96	63	$235,552
1996-97	103	320,978
1997-98	107	340,175
1998-99	114	407,457
1999-2000**	176***	694,589***
2000-01	198	853,896

**Grants are cost shared by the federal and provincial governments.*

*** Maximum was increased to $7,000 per year.*

**** Adjusted to conform to current statistical data.*

Table 13 - Federal/Provincial Study Grant for High Need Part-time Students: 1995-96 to 2000-01

Year	Number of Grants	Amount Paid*
1995-96	48	$83,932
1996-97	132	174,106
1997-98	217	295,831
1998-99	227	322,767
1999-2000	279**	455,780**
2000-01	291	454,698

**Grants are cost shared by the federal and provincial governments.*

*** Adjusted to conform to current statistical data.*

Table 14 - Canada Student Loans Program for Part-time Students: 1991-92 to 2000-01

Year	Number of Loans	Amount Authorized
1991-92	68	$77,780
1992-93	70	79,412
1993-94	89	94,307
1994-95*	51	73,858
1995-96	96	112,274
1996-97	54	76,842
1997-98	86	116,233
1998-99	105	144,704
1999-2000	158	171,189
2000-01	164	264,675

**The limit on outstanding principal was increased to $4,000 from $2,500 beginning August 1, 1994.*

Table 15 - Federal/Provincial Study Grant for Female Doctoral Students: 1995-96 to 2000-01

Year	Number of Grants	Amount Paid*
1995-96	3	$12,129
1996-97	12	39,199
1997-98	6	16,484
1998-99	7	27,377
1999-2000	7	31,080
2000-01	8	35,133

**Grants are cost shared by the federal and provincial governments.*

Table 16 - Sask. Interest Relief Plan - Interest and Repayment Relief: 1991-92 to 2000-01

Year	Number of Borrowers on Interest Relief	Interest Paid
1991-92	1,720	$309,749
1992-93	3,336	642,290
1993-94	3,302	746,950
1994-95	3,034	747,322
1995-96	3,099	804,454
1996-97	2,952	730,738
1997-98*	3,432	652,809
1998-99*	4,180	668,302
1999-2000*	4,516	678,151
2000-01*	4,613	631,516

** Figures include interest paid on Lender-financed Saskatchewan Student Loans held by Royal Bank as well as interest relief on Saskatchewan Student Loans held by the Province.*

Table 17 - French Language - Federal-Provincial Awards*: 1991-92 to 2000-01

Year	Number of Awards/Units	Total Amount Awarded
1991-92	614	$511,661
1992-93	398	429,944
1993-94	539	420,076
1994-95	236	302,186
1995-96	309	174,610
1996-97	247	152,757
1997-98	216	143,996
1998-99	218	124,300
1999-2000	257	181,950
2000-01	275	190,300

**Includes: French Language Teacher Bursary Program, French Language Study Fellowships, French Minority Language Travel Bursaries, Bursaries for French Language Bachelor of Education Students.*

Provincial Auditor Saskatchewan

SASKATCHEWAN

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan:

I have audited the balance sheet of the Saskatchewan Student Aid Fund as at March 31, 2001 and the statements of revenue, expenditure and accumulated surplus, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 15, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements included in the 2000-01 Saskatchewan Student Aid Fund Annual Report are the responsibility of the Student Financial Assistance Branch, Saskatchewan Post-Secondary Education and Skills Training, and have been approved by the Student Aid Fund Trustees. The Branch has prepared these financial statements in accordance with generally accepted accounting principles. The financial information presented elsewhere in this annual report is consistent with that in the financial statements.

Regina, Saskatchewan
May 15, 2001

John Janzen
Acting Executive Director,
Student Financial Assistance Branch

Financial Statements

Saskatchewan Student Aid Fund
Balance Sheet
As at March 31

Statement 1

	2001	2000
ASSETS		
Assets:		
Due from General Revenue Fund (Note 5)	$ 57,122,346	$ 44,366,379
Accrued Interest	630,434	582,675
Appropriation Due from General Revenue Fund	1,331,000	4,100,000
Other Receivables	237,583	207,351
Student Loans Receivable (Note 6)	2,917,256	4,669,883
Total Assets	$ 62,238,619	$ 53,926,288
LIABILITIES, FUND BALANCES AND ACCUMULATED SURPLUS		
Liabilities:		
Due to Royal Bank of Canada (Note 7)	$ 36,068,862	$ 33,748,686
Other Accounts Payable	639,822	675,915
Total Liabilities	36,708,684	34,424,601
Scholarship Funds	36,300	36,300
Accumulated Surplus (Statement 2)	25,493,635	19,465,387
	$ 62,238,619	$ 53,926,288

(See accompanying notes to financial statements)

Saskatchewan Student Aid Fund

Statement 2

Statement of Revenue, Expenditure and Accumulated Surplus

For the Year Ended March 31

	Budget	2001	2000
Revenue:			
Appropriation from the General Revenue Fund	$ 30,513,000	$ 42,109,000	$ 24,086,000
Interest Payments from the General Revenue Fund	1,938,000	2,196,955	2,086,818
Interest on Student Loans	300,000	818,985	1,206,447
Recovery of Bad Debt Allowance	0	326,083	1,487,188
Other Income	150,000	192,542	180,823
	32,901,000	45,643,565	29,047,276
Expenditure:			
Loan Forgiveness Grants	0	257,942	206,885
Saskatchewan Student Bursaries	17,547,000	18,756,337	17,420,185
Canada Study Grants	4,456,000	4,173,221	4,032,966
Saskatchewan Study Grants	4,176,000	3,868,979	4,277,780
Special Incentive Loan Remissions	2,372,000	2,582,482	2,564,879
Interest on Loans	3,608,000	5,712,612	3,397,117
Risk Premium	4,860,000	813,512	1,241,510
Loan Guarantee	306,000	66,008	91,661
Interest Relief Grants	1,260,000	1,520,810	493,816
Collection Costs	500,000	313,924	330,180
Special Opportunity Grants	950,000	1,342,590	1,170,419
Bursaries and Scholarships	161,000	206,900	454,100
	40,196,000	39,615,317	35,681,498
Excess (Shortfall) of Revenue Over Expenditure for the Period	$ (7,295,000)	6,028,248	(6,634,222)
Accumulated Surplus, Beginning of Period		19,465,387	26,099,609
Accumulated Surplus, End of Period to Statement 1		$ 25,493,635	$ 19,465,387

(See accompanying notes to financial statements)

Saskatchewan Student Aid Fund

Statement 3

Statement of Cash Flow

For the Year Ended March 31

	2001	2000
Cash Provided by (used in) Operating Activities:		
Excess (Shortfall) of Revenue Over Expenditure	$ 6,028,248	$ (6,634,222)
Change in Non-Cash Working Capital Items:		
(Increase) Decrease in Accrued Interest	(47,759)	90,502
Decrease (Increase) in Appropriation Due from General Revenue Fund	2,769,000	(4,100,000)
(Increase) in Other Receivables	(30,232)	(165,209)
Decrease in Student Loans Receivable	1,752,627	2,973,510
Increase (Decrease) in Due to Royal Bank of Canada	2,320,176	(5,149,263)
(Decrease) in Other Accounts Payable	(36,093)	(219,380)
Net Increase (Decrease) in Due from General Revenue Fund	12,755,967	(13,204,062)
Due from General Revenue Fund, Beginning of Year	44,366,379	57,570,441
Due from General Revenue Fund, End of Period	$ 57,122,346	$ 44,366,379

(See accompanying notes to financial statements)

Saskatchewan Student Aid Fund
Notes to the Financial Statements
March 31, 2001

1. Authority

The Saskatchewan Student Aid Fund (the Fund) continued under *The Student Assistance and Student Aid Fund Act, 1985*. The primary purpose of the Fund is to operate the Saskatchewan Student Assistance Program. The Department of Post-Secondary Education and Skills Training (the Department) administers the Fund and the Saskatchewan Student Assistance Program.

2. Description of the Program

Under the terms of the Saskatchewan Student Assistance Program, student loans are provided to qualifying individuals at interest rates prescribed by the Minister of Post-Secondary Education and Skills Training. They are interest-free while in full-time studies. Loans become repayable on the first day of the seventh month following discontinuance of studies or graduation, however, interest begins to accrue on the first day of the first month following discontinuance of studies or graduation.

There are four debt reduction benefits which are funded through the Fund. The Saskatchewan Student Bursary, which replaces the former Forgivable Loan Plan provides a bursary to all students with a need over $180 per week up to $275 per week. The Canada Study Grants and the Saskatchewan Study Grants provide grants to students with dependants to cover their need between $275 per week and $400 per week. A Remission benefit may also be applied for by Special Incentive Students and is available to a maximum of $75 per week of study for 60 weeks.

In May 1999, the Province of Saskatchewan signed a ten year agreement with the Canada Millennium Scholarship Foundation. This agreement provides approximately $9.7 Million annually in millennium bursaries to approximately 3,800 Saskatchewan post-secondary students.

Special incentive loan remission grants available to high need disadvantaged students, Saskatchewan Student Bursaries and Canada/Saskatchewan Study Grants are granted to all borrowers who meet the requirements specified by the Saskatchewan Student Assistance Program Administrative Guidelines. If the value of grants exceed the student's loan balance, the excess is applied to their Canada Student Loans. Any excess over the Canada Student Loan balance is then paid directly to the qualifying borrower.

Interest relief grants are provided to borrowers in repayment who are unable to meet their repayment obligations due to financial hardship. Applicants are eligible for these grants for a maximum of 54 months.

A Risk Sharing Student Loans Agreement (the Agreement) between the Department and the Royal Bank of Canada was signed March 12, 1996. This Agreement covers loans approved between August 1, 1996 and July 31, 2001. The Department retains responsibility for loan approval. Saskatchewan Student Loans approved in this period are financed by the Royal Bank. Students still at school, with existing loans, had their loan balances transferred to the Royal Bank when the Department approved their new loans. Loan disbursement, management and collection are done by the Royal Bank as detailed in the Agreement. The Fund pays a risk premium of 5% to the Royal Bank when loans become repayable.

The Department negotiated another agreement with the Royal Bank to transfer substantially all of the loans held by the Fund. This agreement came into effect on October 1, 1997 and remained in force until December 31, 1999. Borrowers who were not in default, had more than seven monthly payments still owing and were not on interest relief were eligible to be transferred. The Fund paid a risk premium of 5% to the Royal Bank when the balance of the loan was transferred. When a loan was transferred, any bad debt allowance relating to that loan was recovered. Borrowers retain the rights associated with their loans (i.e., interest rate, repayment term and interest relief eligibility were transferred with the loan).

Debt reduction benefits, other than the Canada Millennium Bursaries, and costs associated with the interest-free period on lender-financed loans are paid by the Fund to the Royal Bank to be applied against student loan balances. The Canada Millennium Bursaries are funded by the Canada Millennium Scholarship Foundation and are applied against student loan balances.

For courses starting on or after August 1, 2000, the Province will no longer pay the interest that accrues during the six-month grace period after completing full time studies on provincial student loans.

3. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Student Loans Receivable

Student loans are carried at amounts advanced plus accrued interest. Simple interest is charged on loans following the interest-free period. Payments on loans are first applied to interest, then to outstanding principal.

Loans are reduced by approved special incentive loan remissions and loan forgiveness grants.

For loans held by the Fund, allowances are deducted from loans receivable for the following:

(i) estimated uncollectible loans due to default on repayment, based on past collection experience, and
(ii) estimated benefits to borrowers for interest relief.

4. Loans Held by Student Aid Fund

Loans held by the Fund consist of amounts owing by borrowers for loans granted in previous periods.

The Fund is exposed to credit-related losses in the event that borrowers default on repayment of the student loans. Credit risk represents the maximum amount at risk if the borrowers defaulted on their repayments. The Fund's credit risk on student loans receivable is represented by Gross Student Loans Receivable, end of year in Note 6.

The recorded allowance for uncollectible loans is $6,296,362 (2000 — $9,076,656). This allowance could reasonably be expected to fluctuate between $5,889,453 and $6,703,271 within the next twelve months (2000 — $8,620,381 and $9,533,305).

The Fund is also exposed to interest rate risk. Loans receivable have effective interest rates of 5.00% to 12.00% (2000 — 5.00% to 12.00%). Under *The Student Assistance and Student Aid Fund Regulations, 1990*, the Minister charges interest rates as set pursuant to the *Canada Student Loans Act*. Under this Act, each year in August, the Federal government sets the interest rates to be charged for students graduating during the next 12 months. This rate is based on average open market yield for the previous 6 months on mid-term (5-10 years) Government of Canada bonds plus 1%. At March 31, 2001, the rate was 7.125%. These loans were financed by the General Revenue Fund. The loan balances and related interest rates are listed in the following schedule:

Interest Rate	2001 Total Balance	2000 Total Balance
Less than 8.0%	$ 699,851	$ 725,139
8.0% — 8.9%	3,862,737	6,243,687
9.0% — 9.9%	4,120,994	5,939,816
10.0% — 10.9%	360,333	614,147
11.0% or greater	304,369	403,443
Gross student loans receivable, end of year (Note 6)	$ 9,348,284	$ 13,926,232

The fair value and repayment period of loans receivable have not been disclosed because it is not practicable to determine the loan repayments with sufficient reliability. There are a number of factors needed to estimate the timing and the amount of loan repayments. These factors include the Fund's historical experience, applications for interest relief, forgiveness, and remission grants, economic conditions, and the necessity to rely on the actions of a large number of individuals.

5. Due from General Revenue Fund

The Fund's bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Fund's earned interest is calculated and paid quarterly by the General Revenue Fund to the Fund using the General Revenue Fund's thirty day borrowing rate and the Fund's average daily bank account balances.

6. Student Loans Receivable

		2001	2000
Loans outstanding, beginning of year		$ 13,926,232	$ 21,596,414
Add:	New loans during the year	0	0
	Interest earned on student loans	818,985	1,206,447
	Bad debts recovered	788,280	750,274
Deduct:	Loan repayments received	(2,757,043)	(3,380,867)
	Book value of loans transferred to the Royal Bank	(81,581)	(2,413,652)
	Amounts authorized to reduce loans	(104,499)	(52,273)
	Loans written off	(3,242,090)	(3,780,111)
	Gross student loans receivable, end of year	$ 9,348,284	$ 13,926,232
Deduct:	Allowance for interest relief	(133,221)	(179,693)
	Allowances estimated on prior year's experience:		
	Allowance for uncollectible loans before recovery	(6,623,890)	(10,563,844)
	Less recovery of bad debt allowance	326,083	1,487,188
Student loans receivable, end of year		$ 2,917,256	$ 4,669,883

7. Due to Royal Bank of Canada

The Fund estimates amounts due to the Royal Bank. This estimate includes the following:

a) Interest Accrual

Currently, interest accruing on student loans is not paid by the borrower as long as they are in school. The Fund pays this interest to the Royal Bank. The interest accrual is an estimate, based on the projected loan receivable balance and the projected market rate of interest. The estimated projected market rate of interest is 7.16% (2000 — 6.9%) and the estimated period students are in school is two years. However, it is reasonable to expect the interest rate to fluctuate between 6.91% and 7.41% over the next 12 months (2000 — 6.65% to 7.15%).

b) Special Incentive Loan Remission and Loan Forgiveness Grant Accrual

The Fund will pay the Royal Bank expected future special incentive loan remission grants and any outstanding loan forgiveness grants.

c) Risk Premium Accrual

A risk premium is paid to the bank at the time each student loan becomes repayable. The risk premium is equal to 5% of the total outstanding loan at the time the loan becomes repayable. The accrual is an estimate of future risk premiums for loans held by the Royal Bank. This estimate is calculated after considering possible future forgiveness, special incentive loan remission grants, bursaries, study grants and Canada Millennium Bursaries. This amount is not expected to fluctuate significantly within the next 12 months.

d) Loan Guarantee Accrual

The Fund guarantees loans in certain circumstances in the event of death or bankruptcy of the borrower. The amount paid to the bank is equal to the loan balance outstanding on the date of death or bankruptcy. This amount is not expected to fluctuate significantly within the next 12 months.

e) Interest Relief Accrual

Interest relief is paid to the bank at the lender prime rate of interest in effect at the time the borrower applies for relief. It is estimated that the interest relief accrual will be paid to the bank on behalf of applicants over a nine-year period.

In addition, Due to Royal Bank of Canada includes Saskatchewan Student Bursaries, Canada Study Grants and Saskatchewan Study Grants. The accruals for Saskatchewan Student Bursaries and Saskatchewan Study Grants have been reduced by approximately $7.6 Million, which is a portion of the $9.7 Million received from the Canada Millennium Scholarship Foundation.

These accruals could reasonably be expected to fluctuate within the next 12 months as follows:

	2001		2000
	Actual	Range of Accruals	Actual
Interest accrual	$ 6,478,129	$ 6,257,483 to $ 6,693,252	$ 6,367,257
Loan forgiveness grant accrual	1,120,195	1,088,000 to 1,590,000	1,254,316
Special incentive loan remission accrual	3,585,642	3,526,000 to 3,735,000	2,989,144
Risk premium accrual	2,322,006	n/a	2,798,883
Loan guarantee accrual	314,422	n/a	325,000
Interest relief accrual	4,490,649	4,034,000 to 4,947,000	3,608,338
	$18,311,043		$17,342,938
Saskatchewan Student Bursaries	$12,992,517		$11,486,434
Canada Study Grants	2,659,620		2,694,004
Saskatchewan Study Grants	2,105,682		2,225,310
Due to Royal Bank of Canada	**$36,068,862**		**$33,748,686**

8. Related Party Transactions

In accordance with established government practice, all administrative and occupancy costs are paid by the Department of Post-Secondary Education and Skills Training — General Revenue Fund. Accordingly, no provision for these costs is reflected in these financial statements. Costs for loans sent to collection agencies are paid by the Fund. Other related party transactions are disclosed separately in these financial statements.